

## SERVICE HOTLINE

**REFERENCE NUMBER:** 88/2019

25 April 2019

## INTEGRATED TRADING AND CLEARING (ITaC) – IMPORTANT GO LIVE REMINDERS

Clients are reminded that the ITaC project is on track for go-live on Monday, 29 April 2019. As previously communicated, the final go/no go decision will be made by the JSE's Executive Committee during Friday, 26 April 2019 and a JSE notice on the outcome of the decision will be issued on Friday, 26 April 2019 by 15h00.

Please take note of the following important reminders included in this notice:

1. [Markets Closing Early on 26 April 2019](#)
2. [Nutron Decommissioning Equity Derivatives Markets \(EDM\) & Currency Derivatives Market \(FXM\)](#)
3. [Post-trade Risk Management Pricing Changes](#)
4. [Ad-hoc Market Extension Requests on JSE Derivative Markets](#)
5. [Zero Fees Requests Cut Off Times](#)
6. [Capital Adequacy for Equity Market and Equity Derivatives](#)

### 1. MARKETS CLOSING EARLY

Clients are reminded that all JSE markets (except for Bond ETP) will be closing earlier due to the ITaC go-live activities commencing on Friday, 26 April 2019. Please refer to the below Market Notice for details on market close timing:

[Market Notice 104B](#)

### 2. NUTRON DECOMMISSIONING (EDM & FXM)

The EDM and FXM Nutron markets will be decommissioned as part of ITaC go-live activities on Saturday, 27 April 2019. Nutron EDM and FXM will be in Download Only state on Monday, 29 April 2019 and will not be available from Tuesday, 30 April 2019.

### 3. POST-TRADE RISK MANAGEMENT PRICING CHANGES

Further to [Market Notice 49/2018](#) clients are reminded of the post-trade risk management pricing changes that will come into effect on ITaC go-live.

With the exception of the Interest Rate Derivative market, a rate change will be applicable to all markets. Additionally, for the markets migrating onto the ITaC platform, namely EDM & FXM, the risk management fee will be charged as a service fee invoiced monthly to the Clearing Member. Interest on margin on deposit with JSE Clear will be paid in full and the separate risk management fee will be levied. For the markets remaining on the Nutron platform, the risk management fee will continue to be levied in the form of a haircut (deduction) on the interest on margin.

#### Market/s:

All JSE Markets  
All JSE Services

#### Environment(s):

Production

#### Additional Information:

If you have any queries about this announcement, please contact:  
+27 11 520 7777

[CustomerSupport@jse.co.za](mailto:CustomerSupport@jse.co.za)

#### 4. AD-HOC MARKET EXTENSION REQUESTS ON JSE DERIVATIVES MARKETS

Further to [Market Notice 17/2019](#) ad-hoc requests to extend the Deal Management and Reported Trade period beyond the set cut-off times on each of the JSE Derivatives Markets is not permitted unless there are exceptional market wide circumstances.

To minimise disruption on End of Day processes and avoid impacting other market participants, we would like to reiterate the standard process applicable in production today as well as the process which will be effective from ITaC go live for the markets migrating onto the ITaC platform, namely EDM & FXM.

**Currently in Production** the post trading day Admin Period for **all JSE Derivatives Markets** is as follows:

Market	Market Close and Market Extension Cut-off Times			
	Market Close	Admin Period	3 Business Days before FCO	FCO Day
Commodities	12:00	14:30	-	-
Currencies	17:00	18:00	-	18:30
Global	17:00	17:15	-	-
Equity Derivatives	17:30	18:30	19:00	18:30
Interest Rates	17:30	18:00	-	-

Under exceptional circumstances, the JSE Market Controller may consider an ad-hoc request to extend the Admin Period beyond set cut-off times indicated above, provided that the request is sent to the JSE Client Services Centre ([CustomerSupport@jse.co.za](mailto:CustomerSupport@jse.co.za)) at least 30 minutes before such period ends. Such exceptional circumstances typically include, but are not limited to technology failure or other serious market wide business disruptions.

The above process and cut-off times will remain unchanged for the markets remaining on the Nutron platform when ITaC goes live.

From **29 April 2019 for the EDM and FXM markets**, a reminder that the Trade Reporting and Deal Management periods will be as follows:

Market	Market Close and Market Extension Cut-off Times						
	Market Close (Start of Post Close, end of continuous trading)	Trade Reporting Period			Deal Management Period		
		Daily	3 Business Days before FCO	EDM FCO Day	Daily	3 Business Days before FCO	EDM FCO Day
Currency Derivatives	17:00	08:00 - 18:30	-	-	08:00 - 18:30	-	-
Equity Derivatives	17:30	08:00 - 18:30	19:00	08:00 - 18:30	08:00 - 18:30	19:00	08:00 - 18:30

Under exceptional circumstances (which typically include, but are not limited to technology failure or other serious market wide business disruption), the JSE may consider an ad-hoc request to extend the Trade Reporting or Deal Management Period beyond the set cut-off times indicated above, provided that the request is sent to the JSE Client Services Centre ([CustomerSupport@jse.co.za](mailto:CustomerSupport@jse.co.za)) at least 30 minutes before such period ends. With the decoupling of the trading and clearing systems in ITaC, ad-hoc requests for extensions must specify whether a Trade Reporting or Deal Management period extension is being requested.

Ad-hoc requests to extend the Trade Reporting Period will be considered by the JSE Market Controller while ad-hoc requests to extend the Deal Management Period will be considered by the JSE's Director: Post-trade Services.

#### **5. ZERO FEES REQUESTS CUT OFF TIMES**

Clients are reminded that the cut off time for Zero fee requests will not change from 18h00. However, as the JSE's markets are closing earlier on Friday, 26 April 2019, the cut off time for zero fee requests on 26 April 2019 will be 15h00 so the JSE can ensure that they are processed in time.

#### **6. CAPITAL ADEQUACY FOR EQUITY MARKET AND EQUITY DERIVATIVES**

As part of the ITaC project, we amended the CAPAD Web Application to receive Derivative positions from the new Clearing system, so that the offsetting functionality between member's Equity and Derivative positions in the Position Risk section continues working as it does today. ITaC has given us the opportunity to clearly define the link between members and their proprietary accounts across the Equity and Equity Derivative markets, which streamlines this functionality significantly.

It has been noted in the past that members do not at all times use appropriate house accounts for proprietary trades. This has resulted in failure of the CAPAD Web Application to effect valid CAPAD offsets available to the member. Accordingly, as per the rules and regulations, you are requested to ensure that all proprietary trades are done through the appropriate house accounts, which will facilitate successful offsetting of these positions in the CAPAD Web Application.

We have also picked up a minor defect in the ALC calculations on the current platform. In some instances, when the summary level value in the rolled up ALC Summary view is compared to the lower level detail that makes up these values, some of the values don't tie up. This defect has been fixed and may affect the ALC value, however in our testing and comparisons it was not a significant change to the overall surplus/shortfall value.

Please feel free to contact the Capital Adequacy team with any further queries or clarification needed.